

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO SALES TAX FINANCING
CORPORATION (“COFINA”),

Debtor.

PROMESA

Title III

No. 17 BK 3284-LTS

**JOINT STATUS REPORT OF AAFAF AND THE UCC WITH RESPECT
TO THE BONISTAS EXPENSES**

¹The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations.)

To the Honorable United States District Judge Laura Taylor Swain:

Pursuant to the Court's *Order Further Extending Deadlines Set Forth in the Court's Order Entered on February 14, 2019 (ECF No. 596)*, entered on July 1, 2019 [Docket No. 7766; Case No. 17-3284, Docket No. 657] ("July 1 Order"), the Puerto Rico Fiscal Agency and Financial Advisory Authority ("AAFAF"), as the fiscal agent and financial advisor of the Commonwealth of Puerto Rico, and the Official Committee of Unsecured Creditors (the "UCC") submit this Joint Status Report.

On February 11, 2019, AAFAF filed the *Informative Motion Regarding Stipulation Section 15.2 Expenses* [Docket No. 5097; Case No. 17-3284, Docket No. 582] (the "Informative Motion"), which attached as Exhibit A the *Stipulation Regarding Section 15.2 Expenses* [Docket No. 5097-1; Case No. 17-3284, Docket No. 582-1] (the "Stipulation").

On February 12, 2019, the UCC filed the *Official Committee of Unsecured Creditors' Urgent Response to AAFAF's Informative Motion Disclosing Proposed Payment of \$7 Million to Bonistas Del Patio, Inc.* [Docket No. 5097] [Docket No. 5100; Case No. 17-3284, Docket No. 584] (the "Response"), requesting an order directing that the Bonistas Expenses² not be paid, subject to AAFAF providing additional information.

On February 12, 2019, the Court entered the *Order Directing Response to the Official Committee of Unsecured Creditors' Urgent Response to AAFAF's Informative Motion Disclosing Proposed Payment of \$7 Million to Bonistas Del Patio, Inc.* [Docket No. 5101; Case No. 17-3284, Docket No. 586], directing AAFAF to withhold payment of the Bonistas Expenses pending resolution of the objections in the UCC's Response.

² Capitalized terms used but not otherwise defined herein have the meanings given them in the Informative Motion and the Stipulation.

On February 13, 2019, the Court entered the *Order Setting Deadline for Further Response to the Informative Motion Regarding Stipulation Section 15.2 Expenses* [Docket No. 5121; Case No. 17-3284, Docket No. 591] (“February 13 Order”), setting a deadline of February 14, 2019, for the UCC to file any further statement with respect to the Informative Motion and the Response.

On February 14, 2019, the Court entered the *Order Setting Deadline for Joint Status Report in Connection with Informative Motion Regarding Stipulation Section 15.2 Expenses* [Docket No. 5137; Case No. 17-3284, Docket No. 596], setting a deadline of February 21, 2019, for AAFAF and the UCC to meet and confer and file a joint status report with respect to any disputed issues regarding the Bonistas Expenses.

On February 20, 2019, the Court entered the *Order Revising Deadlines Set Forth in the Court’s Order Entered on February 14, 2019 (ECF No. 596)* [Docket No. 5180; Case No. 17-3284, Docket No. 607].

On April 3, 2019, the Court entered the *Order Further Extending Deadlines Set Forth in the Court’s Order Entered on February 14, 2019 (ECF No. 596)* [Docket No. 6120; Case No. 17-3284, Docket No. 628].

On May 22, 2019, the Court entered the *Order Further Extending Deadlines Set Forth in the Court’s Order Entered on February 14, 2019 (ECF No. 596)* [Docket No. 7064; Case No. 17-3284, Docket No. 638].

The July 1 Order set August 22, 2019, as the deadline for AAFAF and the UCC to file a joint status report, and, unless the UCC’s objections have been resolved, for AAFAF to file a separate brief regarding its positions on the contracting issues raised by the UCC. The July 1 Order set September 11, 2019, as the hearing date for AAFAF’s brief to be heard.

On August 19, 2019, AAFAF filed the *Notice of Withdrawal by AAFAF of Previously Filed*

Stipulation Regarding Bonistas Expenses and Motion to Vacate Scheduling Orders with Respect to the Stipulation [Docket No. 8502; Case No. 17-3284, Docket No. 669] (the “Notice and Motion”), withdrawing the Stipulation and requesting that the Court vacate the February 13 Order and the July 1 Order.

AAFAF and the UCC have met and conferred and agreed to revise the proposed order attached to the Notice and Motion (*see* Exhibit A and Exhibit B attached hereto). Subject to AAFAF filing the revised proposed order, the UCC has no objection to the Notice and Motion.³ AAFAF and the UCC have nothing more to report with respect to the Bonistas Expenses.

³ AAFAF will file a certificate of “no objection” if no party objects to the revised proposed order; if there are any objections, AAFAF will address them.

Dated: August 22, 2019
San Juan, Puerto Rico

Respectfully submitted,

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- and -

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